

## Aritzia Reports Second Quarter Fiscal 2025 Financial Results



**VANCOUVER, October 10, 2024** – Aritzia Inc. (TSX: ATZ, "Aritzia", the "Company", "we" or "our"), a design house with an innovative global platform offering Everyday Luxury online and in its boutiques, today announced its financial results for the second quarter ended September 1, 2024 ("Q2 2025").

"Our performance during the second quarter of Fiscal 2025 exceeded our expectations, as we delivered a 15% increase in net revenue compared to the second quarter of Fiscal 2024 and generated comparable sales growth of 6.5%. Our top line was fueled by a 24% net revenue increase in the United States, which was driven by our proven real estate expansion strategy, a meaningful acceleration in eCommerce growth and strong comparable sales growth in our boutiques. We again delivered substantial improvement in our Adjusted EBITDA margin, representing another step toward our historical levels in the high-teens," said Jennifer Wong, Chief Executive Officer.

"Although we're navigating a softer consumer environment in Canada, we're pleased with the positive client response to our Fall launch on both sides of the border. The performance of our new and repositioned boutiques remains extremely strong, and we are particularly excited about the extraordinary pipeline of openings over the balance of the year. We also have a number of initiatives underway to help fuel further acceleration in our eCommerce business, including the upcoming launch of our enhanced website. Along with our growing brand awareness, the momentum we're seeing in both channels keeps us on track to deliver on our long-term goals, while the strategic investments we're making today will position us to generate profitable growth well into the future," concluded Ms. Wong.

### Second Quarter Highlights

For Q2 2025, compared to Q2 2024<sup>1</sup>:

- **Net revenue** increased 15.3% to \$615.7 million, with comparable sales<sup>2</sup> growth of 6.5%
- **United States net revenue** increased 23.9% to \$345.4 million, comprising 56.1% of net revenue
- **Retail net revenue** increased 17.6% to \$425.6 million
- **eCommerce net revenue** increased 10.4% to \$190.0 million, comprising 30.9% of net revenue
- **Gross profit margin**<sup>2</sup> increased 520 bps to 40.2% from 35.0%
- **Selling, general and administrative expenses** as a percentage of net revenue increased 40 bps to 32.4% from 32.0%
- **Adjusted EBITDA**<sup>2</sup> increased 160.7% to \$55.2 million. **Adjusted EBITDA**<sup>2</sup> as a percentage of net revenue increased 500 bps to 9.0% from 4.0%
- **Net income** increased 404.6% to \$18.2 million, or 3.0% as a percentage of net revenue. **Net income (loss) per diluted share** was \$0.16 per share, compared to \$(0.05) per share
- **Adjusted Net Income**<sup>2</sup> increased 618.5% to \$24.5 million. **Adjusted Net Income per Diluted Share**<sup>2</sup> was \$0.21 per share, compared to \$0.03 per share

<sup>1</sup> All references in this press release to "Q2 2025" are to our 13-week period ended September 1, 2024, to "YTD 2025" are to our 26-week period ended September 1, 2024, to "Q2 2024" are to our 13-week period ended August 27, 2023, to "YTD 2024" are to our 26-week period ended August 27, 2023, to "Fiscal 2024" are to our 53-week period ended March 3, 2024, to "Fiscal 2025" are to our 52-week period ending March 2, 2025, to "Fiscal 2026" are to our 52-week period ending March 1, 2026, and to "Fiscal 2027" are to our 52-week period ending February 28, 2027.

<sup>2</sup> Certain metrics, including those expressed on an adjusted or comparable basis, are non-IFRS measures or supplementary financial measures. See "Comparable Sales, "Non-IFRS Measures and Retail Industry Metrics" and "Selected Financial Information".

## Second Quarter Results Compared to Q2 2024

(Unaudited, in thousands of Canadian dollars, unless otherwise noted)

	Q2 2025		Q2 2024		Change	
		% of net revenue		% of net revenue	%	% pts
Retail net revenue	\$ 425,621	69.1 %	\$ 362,014	67.8 %	17.6 %	
eCommerce net revenue	190,042	30.9 %	172,177	32.2 %	10.4 %	
Net revenue	\$ 615,663	100.0 %	\$ 534,191	100.0 %	15.3 %	
Gross profit	\$ 247,486	40.2 %	\$ 186,846	35.0 %	32.5 %	5.2 %
Selling, general and administrative ("SG&A")	\$ 199,502	32.4 %	\$ 171,116	32.0 %	16.6 %	0.4 %
Net income (loss)	\$ 18,247	3.0 %	\$ (5,990)	(1.1)%	404.6 %	4.1 %
Net income (loss) per diluted share	\$ 0.16		\$ (0.05)		420.0 %	
Adjusted EBITDA <sup>2</sup>	\$ 55,167	9.0 %	\$ 21,160	4.0 %	160.7 %	5.0 %
Adjusted Net Income <sup>2</sup>	\$ 24,536	4.0 %	\$ 3,415	0.6 %	618.5 %	3.4 %
Adjusted Net Income per Diluted Share <sup>2</sup>	\$ 0.21		\$ 0.03		600.0 %	

**Net revenue** increased by 15.3% to \$615.7 million, compared to \$534.2 million in Q2 2024. Comparable sales<sup>2</sup> growth was 6.5%. Trends accelerated in August, resulting in better-than-expected net revenue for the quarter.

In the United States, net revenue increased by 23.9% to \$345.4 million, compared to \$278.9 million in Q2 2024. This was primarily driven by the Company's real estate expansion strategy and an acceleration in eCommerce growth. Net revenue in Canada increased by 5.8% to \$270.3 million, compared to \$255.3 million in Q2 2024. Results in Canada benefited from a calendar shift causing the week of the Company's annual warehouse sale to fall in the second quarter this year compared to the third quarter last year. Comparable sales growth was positive in both countries.

- **Retail net revenue** increased by 17.6% to \$425.6 million, compared to \$362.0 million in Q2 2024. The increase was primarily driven by strong performance of the Company's new and repositioned boutiques, as well as positive comparable sales growth in its existing boutiques. In the last 12 months, the Company opened 7 new boutiques and repositioned 3 boutiques. Boutique count<sup>3</sup> at the end of Q2 2025 totaled 122 compared to 116 boutiques at the end of Q2 2024.
- **eCommerce net revenue** increased by 10.4% to \$190.0 million, compared to \$172.2 million in Q2 2024. The increase was primarily driven by traffic growth in the United States, strong response to the Company's Fall product and the Company's investment in digital marketing.

**Gross profit** increased by 32.5% to \$247.5 million, compared to \$186.8 million in Q2 2024. Gross profit margin<sup>2</sup> was 40.2%, compared to 35.0% in Q2 2024. The increase in gross profit margin of approximately 520 bps was driven by lower markdowns, IMU improvements, lower warehousing costs and savings from the Company's smart spending initiative, partially offset by higher freight costs.

**SG&A expenses** increased by 16.6% to \$199.5 million, compared to \$171.1 million in Q2 2024. SG&A expenses were 32.4% of net revenue, compared to 32.0% in Q2 2024. The increase in SG&A expenses was driven by investments in digital marketing to protect and propel the Aritzia brand, as well as investments in infrastructure projects and technology initiatives to support the Company's growth.

**Net income (loss)** was \$18.2 million, an increase of 404.6% compared to \$(6.0) million in Q2 2024, primarily attributable to the factors described above as well as an increase in stock-based compensation expense mainly

<sup>3</sup> There were four Reigning Champ boutiques as at September 1, 2024 and August 27, 2023 which are excluded from the boutique count. There was one Aritzia boutique closure in Fiscal 2024.

due to the effect of mark-to-market changes, offset by an increase in other income. **Net income (loss) per diluted share** was \$0.16 per share, an increase of 420.0% compared to \$(0.05) per share in Q2 2024.

**Adjusted EBITDA**<sup>2</sup> was \$55.2 million or 9.0% of net revenue, an increase of 160.7% compared to \$21.2 million or 4.0% of net revenue in Q2 2024.

**Adjusted Net Income**<sup>2</sup> was \$24.5 million, an increase of 618.5% compared to \$3.4 million in Q2 2024.

**Adjusted Net Income per Diluted Share**<sup>2</sup> was \$0.21 per share, an increase of 600.0% compared to \$0.03 per share in Q2 2024.

**Cash and cash equivalents** totaled \$104.0 million, compared to \$76.5 million at the end of Q2 2024.

**Inventory** at the end of Q2 2025 was \$482.6 million, a decrease of 3.7%, compared to \$500.9 million at the end of Q2 2024.

**Capital cash expenditures (net of proceeds from lease incentives)**<sup>2</sup> were \$49.7 million, compared to \$45.7 million in Q2 2024. The increase is primarily due to capital investments in new and repositioned boutiques partially offset by a decrease in capital investments related to support office expansion and distribution centres.

### YTD 2025 Compared to YTD 2024

*(unaudited, in thousands of Canadian dollars, unless otherwise noted)*

	YTD 2025		YTD 2024		Change	
		% of net revenue		% of net revenue	%	% pts
Retail net revenue	\$ 783,464	70.3 %	\$ 689,584	69.2 %	13.6 %	
eCommerce net revenue	330,829	29.7 %	307,272	30.8 %	7.7 %	
Net revenue	\$ 1,114,293	100.0 %	\$ 996,856	100.0 %	11.8 %	
Gross profit	\$ 467,030	41.9 %	\$ 366,797	36.8 %	27.3 %	5.1 %
SG&A	\$ 375,792	33.7 %	\$ 324,575	32.6 %	15.8 %	1.1 %
Net income	\$ 34,080	3.1 %	\$ 11,480	1.2 %	196.9 %	1.9 %
Net income per diluted share	\$ 0.30		\$ 0.10		200.0 %	
Adjusted EBITDA <sup>2</sup>	\$ 109,044	9.8 %	\$ 52,748	5.3 %	106.7 %	4.5 %
Adjusted Net Income <sup>2</sup>	\$ 49,524	4.4 %	\$ 14,633	1.5 %	238.4 %	2.9 %
Adjusted Net Income per Diluted Share <sup>2</sup>	\$ 0.43		\$ 0.13		230.8 %	

**Net revenue** increased by 11.8% to \$1.1 billion, compared to \$996.9 million in YTD 2024. Comparable sales<sup>2</sup> grew 4.4%. Results continue to be driven by performance in the United States, where net revenue increased by 18.7% to \$630.1 million, compared to \$530.8 million in YTD 2024. Net revenue in Canada increased by 3.9% to \$484.2 million, compared to \$466.1 million in YTD 2024.

- **Retail net revenue** increased by 13.6% to \$783.5 million, compared to \$689.6 million in YTD 2024. The increase in revenue was primarily driven by strong performance of the Company's new and repositioned boutiques, as well as positive comparable sales growth in its existing boutiques.
- **eCommerce net revenue** increased by 7.7% to \$330.8 million, compared to \$307.3 million in YTD 2024. The increase was primarily driven by traffic growth in the United States and inventory optimization.

**Gross profit** increased by 27.3% to \$467.0 million, compared to \$366.8 million in YTD 2024. Gross profit margin<sup>2</sup> was 41.9% compared to 36.8% in YTD 2024. The approximately 510 bps increase in gross profit margin was primarily due to lower markdowns, IMU improvements, lower warehousing costs and savings from the Company's smart spending initiative, partially offset by higher freight costs and pre-opening lease amortization costs for flagship boutiques.

**SG&A expenses** increased by 15.8% to \$375.8 million, compared to \$324.6 million in YTD 2024. SG&A expenses were 33.7% of net revenue compared to 32.6% in YTD 2024. The increase in SG&A expenses was driven by investments in digital marketing to protect and propel the Aritzia brand, as well as investments in infrastructure projects and technology initiatives to support the Company's growth.

**Net income** was \$34.1 million, an increase of 196.9% compared to \$11.5 million in YTD 2024, primarily attributable to the factors described above as well as an increase in stock-based compensation expense mainly due to the effect of mark-to-market changes, partially offset by an increase in other income. **Net income per diluted share** was \$0.30, an increase of 200.0%, compared to \$0.10 per share in YTD 2024.

**Adjusted EBITDA**<sup>2</sup> was \$109.0 million, or 9.8% of net revenue, an increase of 106.7%, compared to \$52.7 million, or 5.3% of net revenue in YTD 2024.

**Adjusted Net Income**<sup>2</sup> was \$49.5 million, an increase of 238.4%, compared to \$14.6 million in YTD 2024.

**Adjusted Net Income per Diluted Share**<sup>2</sup> was \$0.43, an increase of 230.8%, compared to \$0.13 in YTD 2024.

**Capital cash expenditures (net of proceeds from lease incentives)**<sup>2</sup> were \$105.2 million, compared to \$72.2 million in YTD 2024. The increase is primarily due to capital investments in new and repositioned boutiques partially offset by a decrease in capital investments related to support office expansion and distribution centres.

## Outlook

Aritzia expects the following for the third quarter of Fiscal 2025:

Based on quarter-to-date trends, Aritzia expects net revenue in the range of \$675 million to \$700 million in the third quarter of Fiscal 2025. This represents growth of approximately 3% to 7% or growth of approximately 7% to 11% excluding the following 2 factors which contributed \$25 million in the third quarter last year:

- The Digital Archive Sale, which will not reoccur in Fiscal 2025, and
- The calendar shift causing the week of the Company's annual warehouse sale to fall in the second quarter in Fiscal 2025, compared to the third quarter in Fiscal 2024.

The Company expects gross profit margin to increase approximately 400 bps and SG&A as a percentage of net revenue to increase approximately 100 bps for the third quarter of Fiscal 2025 compared to the third quarter of Fiscal 2024.

Aritzia expects the following for Fiscal 2025:

- Net revenue in the range of \$2.54 billion to \$2.60 billion<sup>4</sup>, representing growth of approximately 9% to 11% from Fiscal 2024 (excluding the 53rd week in Fiscal 2024, this represents growth of approximately 10% to 13%). This includes the contribution from retail expansion with 12 to 13 new boutiques and 3 to 4 boutique repositions. Other than one new boutique and one potential boutique reposition in Canada, all openings are expected to be in the United States. Five new boutiques and one boutique reposition have already opened year-to-date.
- Gross profit margin to increase by approximately 450 bps<sup>5</sup> compared to Fiscal 2024, reflecting IMU improvements, lower warehousing costs, lower markdowns and savings from the Company's smart spending initiative, partially offset by higher freight costs.
- SG&A as a percentage of net revenue to be approximately flat to up 50 bps<sup>6</sup> compared to Fiscal 2024, driven by investments in digital marketing to protect and propel the Aritzia brand, as well as investments in key strategic initiatives to drive the Company's growth.
- Adjusted EBITDA as a percentage of net revenue to increase by approximately 400 bps to 450 bps<sup>7</sup>.
- Capital cash expenditures (net of proceeds from lease incentives)<sup>2</sup> of approximately \$230 million. This includes approximately \$190 million related to investments in new and repositioned boutiques expected to open in Fiscal 2025 and Fiscal 2026, as well as \$40 million primarily related to the Company's distribution centre network and technology investments.
- Depreciation and amortization of approximately \$80 million.

<sup>4</sup> Compared to the Company's previous outlook for net revenue of \$2.52 billion to \$2.62 billion, representing growth of approximately 8% to 12%

<sup>5</sup> Compared to the Company's previous outlook for gross profit margin to increase approximately 400 to 450 bps

<sup>6</sup> Compared to the Company's previous outlook for SG&A as a percentage of net revenue to be approximately flat to down 50 bps

<sup>7</sup> Compared to the Company's previous outlook for Adjusted EBITDA as a percentage of net revenue to increase approximately 400 to 500 bps

The foregoing outlook is based on management's current strategies and may be considered forward-looking information under applicable securities laws. Such outlook is based on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment. This outlook is intended to provide readers management's projections for the Company as of the date of this press release. Readers are cautioned that actual results may vary materially from this outlook and that the information in the outlook may not be appropriate for other purposes. See also the "Forward-Looking Information" section of this press release and the "Forward-Looking Information" and "Risk Factors" sections of our Management's Discussion & Analysis for the second quarter of Fiscal 2025 dated October 10, 2024 (the "Q2 2025 MD&A"), for Fiscal 2024 dated May 2, 2024 (the "Fiscal 2024 MD&A") and the Company's annual information form for Fiscal 2024 dated May 2, 2024 (the "Fiscal 2024 AIF").

In addition, a discussion of the Company's long-term financial plan is contained in the Company's press release dated October 27, 2022, "Aritzia Presents its Fiscal 2027 Strategic and Financial Plan, Powering Stronger". This press release is available on the System for Electronic Data Analysis and Retrieval + ("SEDAR+") at [www.sedarplus.com](http://www.sedarplus.com) and on our website at [investors.aritzia.com](http://investors.aritzia.com).

### **Normal Course Issuer Bid**

On January 18, 2024, the Company announced that the Toronto Stock Exchange ("TSX") had accepted its notice of intention to proceed with an NCIB ("2024 NCIB") to repurchase and cancel up to 3,515,740 of its subordinate voting shares, representing approximately 5% of the public float of 70,314,808 subordinate voting shares, during the 12-month period commencing January 22, 2024 and ending January 21, 2025.

On February 21, 2024, the Company announced it had entered into an automatic share purchase plan with a designated broker for the purpose of permitting the Company to purchase its subordinate voting shares under the 2024 NCIB during predetermined blackout periods.

Between January 22, 2024 and October 9, 2024, no subordinate voting shares were repurchased for cancellation under the 2024 NCIB.

### **Conference Call Details**

A conference call to discuss the Company's second quarter results is scheduled for Thursday, October 10, 2024, at 1:30 p.m. PT / 4:30 p.m. ET. To participate, please dial 1-844-763-8274 (North America toll-free) or 1-647-484-8814 (Toronto and overseas long-distance). The call is also accessible via webcast at <https://investors.aritzia.com/events-and-presentations/>. A recording will be available shortly after the conclusion of the call. To access the replay, please dial 1-855-669-9658 and the access code 8065753. An archive of the webcast will be available on Aritzia's website.

### **About Aritzia**

Aritzia is a design house with an innovative global platform. We are creators and purveyors of Everyday Luxury, home to an extensive portfolio of exclusive brands for every function and individual aesthetic. We're about good design, quality materials and timeless style — all with the wellbeing of our People and Planet in mind.

Founded in 1984 in Vancouver, Canada, we pride ourselves on creating immersive, highly personalized shopping experiences at [aritzia.com](http://aritzia.com) and in our 120+ boutiques throughout North America — for everyone, everywhere.

### **Our Approach**

Aritzia means style, not trend, and quality over everything. We treat each in-house label as its own atelier, united by premium fabrics, meticulous construction and an of-the-moment point of view. We handpick fabrics from the world's best mills for their feel, function and ability to last. We obsess over proportion, fit and that just-right silhouette. From hand-painted prints to the art of pocket placement, our innovative design studio considers and reconsiders each detail to create essentials you'll reach for again, and again, and again.

**Everyday Luxury. To Elevate Your World.™**

## **Comparable Sales**

Comparable sales is a retail industry metric used to explain our total combined revenue growth (decline) (in absolute dollars or percentage terms) in eCommerce and established boutiques.

## **Non-IFRS Measures and Retail Industry Metrics**

This press release makes reference to certain non-IFRS measures and certain retail industry metrics. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS financial measures including "EBITDA", "Adjusted EBITDA", and "Adjusted Net Income"; non-IFRS ratios including "Adjusted Net Income per Diluted Share", "Adjusted EBITDA as a percentage of net revenue", and "Adjusted Net Income as a percentage of net revenue"; and capital management measures including "capital cash expenditures (net of proceeds from lease incentives)" and "free cash flow." This press release also makes reference to "gross profit margin" and "comparable sales" which are commonly used operating metrics in the retail industry but may be calculated differently by other retailers. Gross profit margin and comparable sales are considered supplementary financial measures under applicable securities laws. These non-IFRS measures and retail industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and retail industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures and retail industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Certain information about non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures is found in the Q2 2025 MD&A and is incorporated by reference. This information is found in the sections entitled "How We Assess the Performance of our Business", "Non-IFRS Measures and Retail Industry Metrics" and "Selected Financial Information" of the Q2 2025 MD&A which is available under the Company's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Reconciliations for each non-IFRS financial measure can be found in this press release under the heading "Selected Financial Information".

## **Forward-Looking Information**

Certain statements made in this document may constitute forward-looking information under applicable securities laws. Statements containing forward-looking information are neither historical facts nor assurances of future performance, but instead, provide insights regarding management's current expectations and plans and allows investors and others to better understand the Company's anticipated business strategy, financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although the Company believes that the forward-looking statements are based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information.

Specific forward-looking information in this document include, but are not limited to, statements relating to:

- our Fiscal 2027 strategic and financial plan and anticipated results therefrom,
- our third quarter Fiscal 2025 financial outlook, including our expected outlook for net revenue and related impacts, gross profit margin, and SG&A as a percentage of net revenue,
- our full Fiscal 2025 financial outlook, including our expected outlook for net revenue, new and repositioned boutiques and timing of openings, gross profit margin, SG&A as a percentage of net revenue, Adjusted EBITDA as a percentage of net revenue, capital cash expenditures (net of proceeds from lease incentives) and the composition thereof, and depreciation and amortization,

- our upcoming eCommerce initiatives such as the launch of our enhanced website and the anticipated results therefrom, and
- our potential future purchases of subordinate voting shares pursuant to the 2024 NCIB.

Particularly, information regarding our expectations of future results, targets, performance achievements, intentions, prospects, opportunities or other characterizations of future events or developments or the markets in which we operate is forward-looking information. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or positive or negative variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur”, “continue”, or “be achieved”.

Forward-looking statements are based on information currently available to management and on estimates and assumptions, including assumptions about future economic conditions and courses of action. Examples of material estimates and assumptions and beliefs made by management in preparing such forward looking statements include, but are not limited to:

- anticipated growth across our retail and eCommerce channels,
- anticipated growth in the United States and Canada,
- general economic and geopolitical conditions,
- changes in laws, rules, regulations, and global standards,
- our competitive position in our industry,
- our ability to keep pace with changing consumer preferences,
- no pandemic related restrictions impacting client shopping patterns or incremental direct costs related to health and safety measures,
- our future financial outlook,
- our ability to drive ongoing development and innovation of our exclusive brands and product categories,
- our ability to realize our eCommerce 2.0 strategy and optimize our omni-channel capabilities,
- our expectations for optimized inventory composition,
- our ability to recruit and retain exceptional talent,
- our expectations regarding new boutique openings, repositioning of existing boutiques, and the timing thereof, and growth of our boutique network and annual square footage,
- our ability to mitigate business disruptions, including our sourcing and production activities,
- our expectations for capital expenditures,
- our ability to generate positive cash flow,
- anticipated run rate savings from our smart spending initiative,
- availability of sufficient liquidity,
- warehousing costs and expedited freight costs, and
- currency exchange and interest rates.

In addition to the assumptions noted above, specific assumptions in support of our Fiscal 2025 outlook include:

- macroeconomic uncertainty,
- improved product assortment mix,
- anticipated benefits from product margin improvements including IMU improvements and lower markdowns,
- our approach and expectations with respect to our real estate expansion strategy, including boutique payback period expectations and timing of openings, that our planned boutique openings and repositions will proceed as anticipated and on-time,
- anticipated total square footage growth of our boutiques,
- infrastructure investments including our new distribution centre in Delta, British Columbia, new and repositioned flagship boutiques, expanded support office space, and eCommerce technology to drive eCommerce 2.0,
- cost efficiencies, including estimated annualized run rate savings of approximately \$60 million from our smart spending initiative,

- subsiding transitory cost pressures, including pre-opening lease amortization for our new distribution centre in the Greater Toronto Area and flagship boutiques, warehouse costs related to inventory management, and distribution centre project costs, and
- foreign exchange rates for Fiscal 2025: USD:CAD = 1.35.

Given the current challenging operating environment, there can be no assurances regarding: (a) pandemic-related limitations or restrictions that may be placed on servicing our clients or the duration of any such limitations or restrictions; (b) the macroeconomic impacts on Aritzia's business, operations, labour force, supply chain performance and growth strategies; (c) Aritzia's ability to mitigate such impacts, including ongoing measures to enhance short-term liquidity, contain costs and safeguard the business; (d) general economic conditions and impacts to consumer discretionary spending and shopping habits (including impacts from changes to interest rate environments); (e) credit, market, currency, commodity market, inflation, interest rates, global supply chains, operational, and liquidity risks generally; (f) geopolitical events; and (g) other risks inherent to Aritzia's business and/or factors beyond its control which could have a material adverse effect on the Company.

Many factors could cause our actual results, performance, achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in the "Risk Factors" section of our Q2 2025 MD&A and Fiscal 2024 MD&A, and the Company's Fiscal 2024 AIF which are incorporated by reference into this document. A copy of the Q2 2025 MD&A, the Fiscal 2024 MD&A and the Fiscal 2024 AIF and the Company's other publicly filed documents can be accessed under the Company's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

The Company cautions that the foregoing list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. We operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for management to predict all risks, nor assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained in this document represents our expectations as of the date of this document (or as of the date they are otherwise stated to be made) and are subject to change after such date. We disclaim any intention, obligation or undertaking to update or revise any forward-looking information, whether written or oral, as a result of new information, future events or otherwise, except as required under applicable securities laws.

### **For more information**

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## Selected Financial Information

### CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands of Canadian dollars, unless otherwise noted)

	Q2 2025		Q2 2024		YTD 2025		YTD 2024	
		% of net revenue		% of net revenue		% of net revenue		% of net revenue
<b>Net revenue</b>	\$ 615,663	100.0 %	\$ 534,191	100.0 %	\$ 1,114,293	100.0 %	\$ 996,856	100.0 %
<b>Cost of goods sold</b>	368,177	59.8 %	347,345	65.0 %	647,263	58.1 %	630,059	63.2 %
<b>Gross profit</b>	247,486	40.2 %	186,846	35.0 %	467,030	41.9 %	366,797	36.8 %
Selling, general and administrative	199,502	32.4 %	171,116	32.0 %	375,792	33.7 %	324,575	32.6 %
Stock-based compensation expense	13,426	2.2 %	2,051	0.4 %	20,753	1.9 %	6,979	0.7 %
<b>Income from operations</b>	34,558	5.6 %	13,679	2.6 %	70,485	6.3 %	35,243	3.5 %
Finance expense	12,842	2.1 %	11,793	2.2 %	25,423	2.3 %	23,025	2.3 %
Other expense (income)	(5,529)	(0.9)%	7,288	1.4 %	(5,491)	(0.5)%	(3,083)	(0.3)%
<b>Income before income taxes</b>	27,245	4.4 %	(5,402)	(1.0)%	50,553	4.5 %	15,301	1.5 %
Income tax expense	8,998	1.5 %	588	0.1 %	16,473	1.5 %	3,821	0.4 %
<b>Net income (loss)</b>	\$ 18,247	3.0 %	\$ (5,990)	(1.1)%	\$ 34,080	3.1 %	\$ 11,480	1.2 %
<b>Other Performance Measures:</b>								
Year-over-year net revenue growth	15.3%		1.6%		11.8%		6.8%	
Comparable sales <sup>8,9</sup> growth (decline)	6.5%		(4.3)%		4.4%		(0.7)%	
Capital cash expenditures (net of proceeds from lease incentives) <sup>9</sup>	\$(49,670)		\$ (45,703)		\$(105,227)		\$ (72,207)	
Free cash flow <sup>9</sup>	\$ (5,727)		\$ (75,047)		\$ (73,996)		\$ (94,976)	

### NET REVENUE BY GEOGRAPHIC LOCATION

(unaudited, in thousands of Canadian dollars)

	Q2 2025		Q2 2024		YTD 2025		YTD 2024	
United States net revenue	\$ 345,395		\$ 278,858		\$ 630,056		\$ 530,750	
Canada net revenue	270,268		255,333		484,237		466,106	
<b>Net revenue</b>	\$ 615,663		\$ 534,191		\$ 1,114,293		\$ 996,856	

### CONSOLIDATED CASH FLOWS

(unaudited, in thousands of Canadian dollars)

	Q2 2025		Q2 2024		YTD 2025		YTD 2024	
Net cash generated from (used in) operating activities	\$ 70,022		\$ (8,789)		\$ 82,294		\$ 18,056	
Net cash generated from (used in) financing activities	(14,125)		74,685		(28,561)		62,070	
Cash used in investing activities	(51,729)		(48,543)		(112,077)		(90,384)	
Effect of exchange rate changes on cash and cash equivalents	(856)		370		(950)		264	
<b>Change in cash and cash equivalents</b>	\$ 3,312		\$ 17,723		\$ (59,294)		\$ (9,994)	

<sup>8</sup>Please see the "Comparable Sales" section above for more details.

<sup>9</sup>Please see the "Non-IFRS Measures and Retail Industry Metrics" section above for more details.

## RECONCILIATION OF NET INCOME (LOSS) TO EBITDA, ADJUSTED EBITDA AND ADJUSTED NET INCOME

(unaudited, in thousands of Canadian dollars, unless otherwise noted)

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
<b>Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA:</b>				
Net income (loss)	\$ 18,247	\$ (5,990)	\$ 34,080	\$ 11,480
Depreciation and amortization	19,496	14,591	38,777	29,505
Depreciation on right-of-use assets	26,982	24,907	53,231	49,834
Finance expense	12,842	11,793	25,423	23,025
Income tax expense	8,998	588	16,473	3,821
<b>EBITDA</b>	<b>86,565</b>	<b>45,889</b>	<b>167,984</b>	<b>117,665</b>
Adjustments to EBITDA:				
Stock-based compensation expense	13,426	2,051	20,753	6,979
Rent impact from IFRS 16, Leases <sup>10</sup>	(38,693)	(34,993)	(76,477)	(69,880)
Unrealized loss on equity derivatives contracts	(6,507)	7,794	(5,837)	11,233
Fair value adjustment of non-controlling interest ("NCI") in exchangeable shares liability	—	—	—	(15,000)
CYC Design Corporation ("CYC") related costs and other expenses	376	419	2,621	1,751
<b>Adjusted EBITDA</b>	<b>\$ 55,167</b>	<b>\$ 21,160</b>	<b>\$ 109,044</b>	<b>\$ 52,748</b>
<b>Adjusted EBITDA as a percentage of net revenue</b>	<b>9.0%</b>	<b>4.0%</b>	<b>9.8%</b>	<b>5.3%</b>
<hr/>				
Net income (loss)	\$ 18,247	\$ (5,990)	\$ 34,080	\$ 11,480
Adjustments to net income:				
Stock-based compensation expense	13,426	2,051	20,753	6,979
Unrealized loss on equity derivatives contracts	(6,507)	7,794	(5,837)	11,233
Fair value adjustment of NCI in exchangeable shares liability	—	—	—	(15,000)
CYC related costs and other expenses	376	419	2,621	1,751
Related tax effects	(1,006)	(859)	(2,093)	(1,810)
<b>Adjusted Net Income</b>	<b>\$ 24,536</b>	<b>\$ 3,415</b>	<b>\$ 49,524</b>	<b>\$ 14,633</b>
<b>Adjusted Net Income as a percentage of net revenue</b>	<b>4.0%</b>	<b>0.6%</b>	<b>4.4%</b>	<b>1.5%</b>
<b>Weighted average number of diluted shares outstanding (thousands)</b>	<b>116,035</b>	<b>114,295</b>	<b>115,412</b>	<b>114,547</b>
<b>Adjusted Net Income per Diluted Share</b>	<b>\$ 0.21</b>	<b>\$ 0.03</b>	<b>\$ 0.43</b>	<b>\$ 0.13</b>

## <sup>10</sup> RENT IMPACT FROM IFRS 16, LEASES

(unaudited, in thousands of Canadian dollars)

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Depreciation of right-of-use assets, excluding fair value adjustments	\$ (26,743)	\$ (24,774)	\$ (52,859)	\$ (49,568)
Interest expense on lease liabilities	(11,950)	(10,219)	(23,618)	(20,312)
<b>Rent impact from IFRS 16, leases</b>	<b>\$ (38,693)</b>	<b>\$ (34,993)</b>	<b>\$ (76,477)</b>	<b>\$ (69,880)</b>

**RECONCILIATION OF COMPARABLE SALES TO NET REVENUE***(unaudited, in thousands of Canadian dollars)*

	Q2 2025	Q2 2024	Fiscal 2025	Fiscal 2024
Comparable sales	\$ 548,866	\$ 476,287	\$ 1,002,032	\$ 882,322
Non-comparable sales	66,797	57,904	112,261	114,534
Net revenue	\$ 615,663	\$ 534,191	\$ 1,114,293	\$ 996,856

**RECONCILIATION OF CASH USED IN INVESTING ACTIVITIES TO CAPITAL CASH EXPENDITURES (NET OF PROCEEDS FROM LEASE INCENTIVES)***(unaudited, in thousands of Canadian dollars)*

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Cash used in investing activities	\$ (51,729)	\$ (48,543)	\$ (112,077)	\$ (90,384)
Contingent consideration payout, net relating to the acquisition of CYC	—	—	—	6,303
Proceeds from lease incentives	2,059	2,840	6,850	11,874
Capital cash expenditures (net of proceeds from lease incentives)	\$ (49,670)	\$ (45,703)	\$ (105,227)	\$ (72,207)

**RECONCILIATION OF NET CASH GENERATED FROM OPERATING ACTIVITIES TO FREE CASH FLOW***(unaudited, in thousands of Canadian dollars)*

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Net cash generated from (used in) operating activities	\$ 70,022	\$ (8,789)	\$ 82,294	\$ 18,056
Interest paid on credit facilities	817	1,726	1,655	2,820
Proceeds from lease incentives	2,059	2,840	6,850	11,874
Repayments of principal on lease liabilities	(26,896)	(22,281)	(52,718)	(43,645)
Purchase of property, equipment and intangible assets	(51,729)	(48,543)	(112,077)	(84,081)
Free cash flow	\$ (5,727)	\$ (75,047)	\$ (73,996)	\$ (94,976)

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(interim periods unaudited, in thousands of Canadian dollars)

	As at September 1, 2024	As at March 3, 2024	As at August 27, 2023
<b>Assets</b>			
Cash and cash equivalents	\$ 103,983	\$ 163,277	\$ 76,516
Accounts receivable	21,085	18,473	14,541
Income taxes recoverable	16,551	7,055	26,346
Inventory	482,598	340,145	500,922
Prepaid expenses and other current assets	47,053	37,270	29,643
<b>Total current assets</b>	<b>671,270</b>	<b>566,220</b>	<b>647,968</b>
Property and equipment	525,957	431,365	373,929
Intangible assets	88,395	84,975	85,104
Goodwill	198,846	198,846	198,846
Right-of-use assets	702,990	632,291	617,697
Other assets	5,000	5,164	4,976
Deferred tax assets	21,002	27,272	18,969
<b>Total assets</b>	<b>\$ 2,213,460</b>	<b>\$ 1,946,133</b>	<b>\$ 1,947,489</b>
<b>Liabilities</b>			
Bank indebtedness	\$ —	\$ —	\$ 100,000
Accounts payable and accrued liabilities	333,711	212,835	231,131
Income taxes payable	—	1,606	—
Current portion of lease liabilities	92,473	107,322	125,411
Deferred revenue	84,333	81,669	70,437
<b>Total current liabilities</b>	<b>510,517</b>	<b>403,432</b>	<b>526,979</b>
Lease liabilities	790,593	698,564	660,357
Other non-current liabilities	15,877	13,451	12,270
Deferred tax liabilities	22,927	23,191	21,733
<b>Total liabilities</b>	<b>1,339,914</b>	<b>1,138,638</b>	<b>1,221,339</b>
<b>Shareholders' equity</b>			
Share capital	340,345	307,737	285,406
Contributed surplus	96,217	96,249	86,952
Retained earnings	441,417	407,337	357,593
Accumulated other comprehensive loss	(4,433)	(3,828)	(3,801)
<b>Total shareholders' equity</b>	<b>873,546</b>	<b>807,495</b>	<b>726,150</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,213,460</b>	<b>\$ 1,946,133</b>	<b>\$ 1,947,489</b>

## BOUTIQUE COUNT SUMMARY<sup>3</sup>

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Number of boutiques, beginning of period	119	115	119	114
New boutiques	3	1	3	2
Number of boutiques, end of period	122	116	122	116
Repositioned boutiques	—	1	1	1